

Message Text

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SUBJ: THIS WEEK IN VENEZUELA
REF: CARACAS 14747(NTOAL)
SUMMARY. THE MAJOR EVENT IN A SLOW POST-CHRISTMAS WEEK CONTINUED
TO BE THE REACTION BY VENEZUELAN LEADERS, INCLUDING MINES MINISTER
HERNANDEZ, TO THE RECENT OPEC MEETING. PETROLEUM SLAES AMOUNTED
TO \$9 BILLION IN THE FIRST YEAR FOLLOWING NATIONALIZATION OF THE
INDUSTRY. VICE PRESIDENT ROCKEFELLER MAKES PRIVATE VISIT TO
VNEZUELA. CTV CELEBRATES 40TH ANNIVERSARY. RUBBER WORKERS
STRIKE DRAGS ON. DONNA NIEHOUS APPEALS THRU CARDIANL QUINTERO
FOR HER HUSBAND'S RETURN. DEPUTY SALOM MEZA CHARGED WITH ADDITIONAL
CRIME. DEFECTION OF MEP LABOR LEADERS BECOMES PUBLIC.
DIPLOMATIC RELATIONS ESTABLISHED
WITH MAIL. END SUMMARY.

1. CONTINUED OPTIMISM OVER OPEC UNITY. GOVT LEADERS
HAVE CONTINUED TO VOICE OPTIMISM THAT OPEC'S SPLIT DECISION
WOULD NOT DAMAGE THE CARTEL'S BASIC UNITY NOR ADVERSELY
AFFECT VENEZUELAN OIL EXPORTS. MOST NOTABLE AMONG THESE WAS
MINISTER OF MINES HERNANDEZ, WHO RETURNED THIS WEEK AFTER
SERVIING AS VENEZUELA'S SPOKESMAN AT THE DOHA MEETING. HE
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DESCRIBED THE RESULTING DUAL PRICE SYSTEM AS A TRANSITORY ONE
WHICH WOULD NOT BE FULLY IMPLEMENTED, AND SAID CONSULTATIONS
DIRECTE TOWARDS ACHIEVING UNANIMOUS AGREEMENT HAD ALREADY BEGUN
AMONG OPEC MEMBERS. OPPOSITION LEADERS GENERALLY EXPRESSED
GREATER CONCERN ABOUT THE DANGERS FACING THE ORGANIZATION.
MEANWHILE, PETROVEN, THE NATIONAL OIL COMPANY, ADVISED ITS

CUSTOMERS OF PRICE INCREASES EFFECTIVE JAN 1 CORRESPONDING TO THE 10 PERCENT INCREASE DECIDED BY THE OPEC MAJORITY, AND DENIED REPORTS THAT PREFERRED CUSTOMERS IN CENTRAL AMERICA, AND THE CARRIBBEAN WOULD BE EXEMPT FROM THE INCREASES (CARACAS 14839).

2. PETROVEN REPORTS FIRST YEAR RESULTS AND FUTURE PLANS. IN TOW MAJOR PUBLIC APPEARNCES THIS WEEK PETROVEN PRESIDENT RAFAEL ALFONZO RAVARD REPORTED ON THE FIRST YEAR OF OPERATIONS OF THE NATIONALIZED OIL INDUSTRY AND DESCRIBED PLANS FOR FUTURE INVESTMENT. TOTAL SALES FOR THE YEAR AMOUNTED TO \$9.02 BILLION, OF WHICH \$6.66 BILLION WENT TO THE TREASURY IN TAX PAYMENTS AND \$829 MILLION WERE RETAINED BY PETROVEN AND ITS OPERATING SUBSIDIARIES AS PROFITS. CONTRASTING WITH HIS VERY POSITIVE YEAR END REPORT, ALFONZO WARNED THAT MASSIVE NEW INVESTMENTS WOULD BE NEEDED AT ONCE TO MAINTAIN THE INDUSTRY. INVESTMENTS OF \$700 MILLION ARE PLANNED FOR 1977 AND ARE EXPECTED TO INCREASE TO \$1.5 BILLION BY 1979, WITH ALL NECESSARY FUNDS TO BE GENERATED INTERNALLY.

3. VICE PRESIDENT ROCKEFELLER IN VENEZUELA. VICE PRESIDENT AND MRS. ROCKEFELLER ARRIVED IN VENEZUELA DEC 26 FOR A ONE-WEEK PRIVATE VISIT. PRESIDENT PEREZ AND AMBASSADOR VAKY LUNCHEd WITH THE VICE PRESIDENT AT HIS RANCH NEAR VALENCIA IN THE STATE OF CARABOBO ON DEC 28. MOVEMENTS OF PEREZ' SECURITY DETAIL IN CONNECTION WITH HIS VISIT TO THE ROCKEFELLER RANCH TIPPED OFF THE PRESS TO THE VICE PRESIDENT'S PRESENCE IN VENEZUELA.

4. CTV CELEBRATES 40TH ANNIVERSARY. THE CONFEDERATION OF VENEZUELAN WORKERS (CTV) CELEBRATED ITS 40TH ANNIVERSARY ON LIMITED OFFICIAL USE

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DEC 26. IN A PRE-CHRISTMAS SPEECH BEFORE THE CARACAS CITY COUNCIL, CTV PRESIDENT JOSE VARGAS CALLED FOR IMPLEMENTATION OF A NEW UNOIN STRUCTURE WHICH WOULD CONCENTRATE POWER IN THE HANDS OF NATIONAL INDUSTRIAL UNIONS. HE ALSO INFORMED THE FAR LEFT THAT IT WOULD BE WELCOME IN THE CTV - ALL IT HAS TO DO IS DISBAND ITS PARALLEL UNIONS AND JOIN THE CTV UNIONS WHICH ALREADY REPRESENT 90 PERCENT OF THE WORKERS. HE ADDED THAT UNDER NO CIRCUMSTANCES WOULD COMMUNISTS BE GIVEN HIGH POSITIONS IN THE CTV WITHOUT BEING ELECTED BY THE ENTIRE MEMBERSHIP. (A FULL REPORT ON THE 40TH ANNIVERSARY IS INCLUDED IN THE 1976 ANNUAL LABOR REPORT.)

5. RUBBER WORKER STRIKE DRAGS ON. THE STRIKE BY THE RUBBER WORKDER AGAINST FIRESTONE, UNIROYAL, AND GOODYEAR IS DRAGGING THRU THE HOLIDAYS WITH NO SIGNES OF PROGRESS. WHILE SOME RUBBER WORKERS DID RETURN TO WORK AS A RESULT OF THE PRESIDENTIAL DECREE (CARACAS 14388), FEW TIRES ARE BEING PRODUCED. A NEW DISPUTE ERUPTED JUST PRIOR TO CHRISTMAS WHEN GOODYEAR REPORTEDLY

REFUSED TO PAY ITS WORKERS THE BASE RATE FOR 48 HOURS' WORK ON THE GROUNDS THAT THEY COULDN'T HAVE WORKED 48 HOURS AND MADE SO FEW TIRES. THE WORKERS THEREUPON WALKED OUT AGAIN. AFTER JAN 1 PRESSURE FOR A SETTLEMENT SHOULD BE GREAT.

6. DONNA NIEHOUS APPEALS FOR HUSBAND'S RETURN. ALL CARACAS DAILIES DEC 30 CARRIED AN APPEAL BY DONNA NIEHOUS, WIFE OF KIDNAPPED US EXECUTIVE WILLIAM NIEHOUS, THRU CARDINAL QUINTERO FOR HER HUSBAND'S SAFE RETURN. IN HER CABLE DATED DEC 27 TO QUITERO, MRS NIEHOUS NOTED THAT 10 MONTHS HAVE PASSED SINCE NIEHOUS' ABDUCTION AND THAT EACH DAY HER HOPE OF BEING REUNITED WITH HIM DIMINISHES. "PLEASE ASK THE KIDNAPPERS TO RETURN HIM TO LET ME KNOW IF HE IS ALIVE," SHE CONTINUED. "IN THE NEW YEAR WHEN ALL OF US DESIRE PEACE HELP ME SO THAT PEACE RETURNS TO MY HOME." QUINTERO IN AN ACCOMPANYING STATEMENT EXHORTED THE KIDNAPPERS TO RESPOND TO MRS NIEHOUS' PLEA. THE NIEHOUS KIDNAPPING IS NOW THE LONGEST ON RECORD IN VENEZUELA.

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7. DEPUTY SALOM MEZA CHARGED WITH ADDITIONAL CRIME. MEP DEPUTY SALOM MEZA, ALREADY UNDERGOING TRIAL AS AN ACCOMPLICE IN THE NIEHOUS KIDNAPPING CASE, WAS CHARGED DEC 21 BY A MILITARY TRIBUNAL WITH MAKING AN OFFENSIVE STATEMENT AGAINST THE VENEZUELAN ARMED FORCES. THE ADDITIONAL CHARGE COMES AS A RESULT OF THE PUBLICATION SEP 7 OF A LETTER FROM MEZA IN THE MAS DAILY PUNTO WHICH CONTAINED ACCUSATIONS AGAINST PRESIDENT PEREZ, THE ARMED FORCES, AND THE CIA. MEP PRESIDENT LUIS PRIETO CLAIMED THAT THE ADDITIONAL CHARGE AGAINST MEZA IS "ILLEGAL" IN THAT IT HAS NOT BEEN REVIEWED BY THE SUPREME COURT AS WERE THE EARLIER CHARGES PRIOR TO THE LIFTING OF MEZA'S PARLIAMENTARY IMMUNITY BY THE CONGRESS.

8. DEFECTION OF MEP LABOR LEADERS BECOMES PUBLIC. THE LONG RUMORED DEFECTION OF MANY OF THE MOST IMPORTANT LABOR LEADERS REMAINING IN THE PEOPLES ELECTORAL MOVEMENT (MEP)(CARACAS 12778) BECAME PUBLIC ON DEC 30 WHEN THE PRESS REPORTED THAT CONFEDERATION OF VENEZUELAN WORKERS (CTV) VOCAL JUAN JOSE DELPINO HAD RESIGNED FROM THE PARTY. THE REPORT ALSO SAID THAT PETROLEUM WORKERS (FEDEPETROL) PRESIDENT CARLOS PINERUA AND OTHER WELL KNOWN MEP LABOR FIGURES WERE ON THE VERGE OF DOING THE SAME. THESE RESIGNATIONS MARK THE FINAL DEMISE OF MEP AS A MAJOR FORCE IN VENEZUELAN ORGANIZED LABOR.

9. DIPLOMATIC RELATIONS ESTABLISHED WITH MALI. THE GOV HAS ANNOUNCED THE ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH THE REPUBLIC OF MALI AT THE AMBASSADORIAL LEVEL. HOWEVER, AN EXCHANGE OF AMBASSADORS IS NOT FORESEEN AT THE PRESENT TIME.

10. OTHER REPORTING THIS WEEK INCLUDED VENEZUELA'S INTEREST IN

PURCHASING SS UNITED STATES(CARACAS 14743), BERTHING
DISCRIMINATION AGAINST FOREIGN FLAGS (CARACAS 14817), CONVERSATIONS
WITH TPRESIDENT PEREZ (CARACAS 14838), VENEZUELA WILL NOT OFFER
SPECIAL OIL PRICES (CARACAS 14839). AND MINIES MINISTER HERNANDEZ
COMMENTS ON OPEC CONFERENCE (CARACAS 14872).

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